

ARS □ ERS □ NASS □ NIFA

Policies and Procedures

Title: ARS-Exchange/Sale for Qualified Personal Property

Number: P&P 222.0

Date: December 1, 2016

Expiration: December 1, 2021

Originating Office: Acquisition and Property Division

This Replaces: Bulletin 12-221, dated August 20, 2012

Distribution: All ARS Employees

This Policies and Procedures (P&P) converts the previous bulletin regarding the ARS-Exchange/Sale for Qualified Personal Property to a P&P. It establishes the policies, procedures, responsibilities, and reporting requirements associated for sales of qualified products (defined as animals, animal products, plants, and plant products) under the 2008 Farm Bill.

Table of Contents

1. Purpose.....	3
2. Background	3
3. Policy	4
4. Accounting Process.....	4
Administrative Officer/Technician (AO/T)	5
Business Service Center (BSC) Budget and Fiscal Officers (BFOs)	5
Budget & Program Management Staff (BPMS)	6
Fund Holder	6
5. Personal Property Reporting Requirements.....	6
6. Responsibilities	7
7. Authorities.....	8
8. Definitions.....	8
9. Exhibit 1	9
10. Appendix 2 – Acronyms/Abbreviations	10

Purpose

This P&P establishes the general policies and procedures for sales of qualified products as defined as animals, animal products, plants, and plant products under Section 7408 of the 2008 Farm Bill. This Section allows USDA officials to use the sales proceeds of qualified products to offset costs related to maintaining, caring, and feeding the qualified product as well as replacing it. The P&P also includes the reporting requirements for the annual sales report from sources other than the General Services Administration (GSA).

Background

Federal Management Regulation (FMR), Subchapter B 102.39, Replacement of Personal Property Pursuant to the Exchange/Sale Authority, allows Federal agencies to exchange or sell similar items and apply the allowance or proceeds to offset the cost of similar, replacement property. It defines similar property as property that is identical, or property that falls within a single Federal Supplication Classification Group. Under the FMR authority, ARS was limited to using animal/plant sales proceeds for replacement purposes.

To assist USDA and ARS in carrying out its research functions Section 7408 of the 2008 Farm Bill amended Title III of the Department of Agriculture Reorganization Act of 1994 by adding Section 307 which authorizes USDA to exchange, sell, or dispose of **qualified** items and retain/apply the sales proceeds to acquire other qualified items or use the proceeds to offset costs to maintenance, care or feed the qualified property. **The amendment defines a “qualified” item as:**

- **animals**
- **animal products**
- **plants, or**
- **plant products.**

These proceeds can be a significant source of available funds to help carry out the ARS mission.

FMR 102-38, Sale of Personal Property, requires agencies to use an authorized sale center, such as General Services Administration (GSA), when selling Government property. The goal of using an authorized sale center is to reach the largest audience and ensure sales are fair, open, timely, and advantageous to the Government. However, in certain situations, Federal agencies may request a waiver from using an authorized sale center to sell Government property. ARS has a five-year waiver covering FY2017-FY2021 that allows the agency to use sources other than GSA for sales of animals/crops. As part of the waiver process, ARS must submit an annual report of proceeds received from sources other than GSA.

Policy

ARS may exchange or sell animals, animal products, plants, and plant products and retain or apply the proceeds to:

- acquire another animal, animal product, plant, or plant product; or
- apply the proceeds to offset costs related to maintaining, caring, or feeding animals, animal products, plants, or plant products.

These proceeds have no fiscal year limitations. **This authority only applies to property that meets the above definition of qualified item.**

ARS officials may also work with their appropriate property management officers/officials (PMOs) to report the qualified item to GSA to sell, when appropriate. These situations may be limited to when there are no immediate or sensitive timeframes, limited shelf-life, or concern in having to move animals for potential buyers to view and pick up. **When using GSA as the sales source, there are no sales reporting requirements.**

Under the waiver process, ARS officials may use sources other than GSA to sell animals/crops using competitive bidding processes. The process should continue to promote fairness, openness, and timeliness, and in a manner most advantageous to the Government. Sales options include but are not limited to, auction houses or other methods under a competitive bid process.

ARS officials must document all in-house sales actions and involve a warranted contracting office in the process. The warranted contracting officer is responsible for documenting and accepting bids and awarding the sale.

To avoid the perception that employees have an advantage and may have nonpublic information, ARS employees, including immediate member of household, may not participate in these sales.

Accounting Process

Proceeds from the sale of qualified items are classified as no-year and are available until fully expended. These funds are allocated under the X89 Fund Code. Location officials are responsible for establishing separate accounts for each different commodity.

To standardize the collection process in Financial Management Modernization Initiative (FMMI) and Agricultural Research Information System (ARIS), agency officials will follow the guidance below:

Administrative Officer/Technician (AO/T)

In ARIS - Enter the following information in Incoming Agreements, Authorization to Apply For and Use Funds From Outside Sources. (See Exhibit 1):

- Source of Funds: 0199-Sale of Animals or Personal Property
- Type of Agreement: Trust 3
- Purpose of Funds: Services Only
- Type of Service: Sale of Assets
- Start/End Dates: Since these are no year funds, this should be set for the maximum term of 5 years.
- Remarks: State purpose for collection (e.g. sale of hay).
- Indirect Program Support Cost (IPSC): is not assessed for sale of assets collections.

In CRIS Allocation Tracking system (CATS) - Establish records and perform funds control for each account. Establish a separate account for each commodity.

Business Service Center (BSC) Budget and Fiscal Officers (BFOs)

In FMFI - Establish the shorthand code and WBS using the following format:

- Shorthand Code Format: X89-XXXX-XXX
- WBS Format: AR.SC.XXXX.01.0XXX

Deposit of Collected User Fees - Upon receipt of check or money order, prepare a Lockbox Deposit Slip, using Budget Object Class 0250 for collections.

In ARIS – After the funds are deposited, enter the receipt of funds on the Incoming Agreements Budget Page.

Budget Authority is available once the deposit is posted in FMFI.

Budget & Program Management Staff (BPMS)

Estimate fiscal year fee collections in preparation for the SF-132, Apportionment and Reapportionment Schedules, for the Execution of Funds report for approval by Office of Management and Budget (OMB).

Use Treasury Symbol 12X1400, No-Year authority. Funds available until fully expended.

Upon approval of the SF-132, USDA's Office of Budget and Program Analysis (OBPA) prepares an Advice of Allotment (AA) and forwards the AA and approved SF-132 to BPMS. Upon receipt of the AA, enter Appropriation (APPR) and Apportionment (APOR) documents into FMFI.

Upon notification of the ARS-425, Authorization to Apply for and Use Funds From Outside Sources, create the AD-705, Advice of Allocation of Funds, to officially authorize the use of funds.

Fund Holder

Designated fund holders may use sales proceeds to offset costs related to replacing or maintaining, caring, and feeding animals, animal products, plants, or plant products.

Personal Property Reporting Requirements

FMR 102.38 requires agencies to submit an annual report of sales proceeds obtained from sources other than the GSA. The reporting requirements are:

- Sales Proceeds (Gross and Net),
- Commodity Type (Animal or Plant), and
- Cycle Time (average number of days to conduct and finalize sale, from sale announcement to the award).

Annually, BSC or Beltsville Center PMOs will submit a consolidated report to the Acquisition and Property Division (APD), Property and Support Services Branch (PSSB). The FMR requires agencies to submit the annual report within 60 days after the end of the fiscal year. APD will request the required information.

Responsibilities

Administrative Officer/Technician (AO/T)

- Oversee the qualified product sale process,
- Complete the Authorization to Apply For & Use Funds from Outside Sources,
- Establish an account for each commodity type, and
- Forward required information for annual sales report (gross & net proceeds, commodity type, and average number of days to complete sale) to the BSC property official.

BSC Budget and Fiscal Officers

- Establish the account in FMFI,
- Deposit Proceeds, and
- Update ARIS with funds receipt.

Budget & Program Management Staff (BPMS)

- Estimate fiscal year collections,
- Update FMFI, and
- Create Allocation of Funds Request to authorize use of funds.

Fund Holder

- Work with appropriate BSC or BA property official to report qualified property for sale by GSA when appropriate,
- Work with AO/T for sales of qualified product by outside source, and
- Use sales proceeds to offset costs related to replacing, maintaining, caring, and feeding qualified product.

BSC and Beltsville Center PMOs

- Report qualified property for sale in GSAXcess when appropriate,
- Request information for annual sales report from program officials, and
- Consolidate and submit annual sales report to PSSB@ars.usda.gov.

Authorities

Section 7408 of the 2008 Farm Bill Authority

Federal Management Regulations (FMR)

Definitions

A. Qualified Product: animal, animal product, plant, and/or plant product.

B. Exchange/Sale Authority: allows agencies to exchange or sell similar items and proceeds to offset the cost of similar replacement property.

C. Similar Property: property that is identical or property that falls within a single Federal Supply Classification Group.

/s/

Michael L. Barnes, Director Acquisition and
Property Division

Enter Date.

11/17/2016

Exhibit 1

08/07/08

**Agricultural Research Service
Agricultural Research Information System
Authorization to Apply for and Use Funds From Outside Sources
Incoming Agreements**

Modecode/Log Number: 6201-00-00 0037191

Status: Pending

Location/Management Unit Name:

OFFICE OF THE DIRECTOR

Contact: UPCHURCH DAN R

Type: Principal Investigator

Series: General Biological Science

Telephone: 979-260-9343

Type of Agreement: Trust

ARS Primary Agreement Holder: Yes Award Date:

Agreement Number: ---

Primary Agreement Proposed Total Funds: \$30,000.00

Purpose of Funds: Service Only

Type of Service: Sale of Assets

Remarks: Sale of hay.

Original Source of Funds:

Type:

Direct Source of Funds:

0199 SALE OF ANIMALS OR PERSONAL PROPERTY, DEPARTMENT OF
AGRICULTURE

Type: Non-Federal

IPSC: Always Waived

Requesting IPSC Waiver:

Waiver approved by BPMS:

Why are you requesting IPSC?

Start Date: 10/01/2007 End Date: 09/30/2012

Duration: 60 (months)

How are funds to be used?

Prior Proposed: \$0.00

Proposed Amount: \$30,000.00

Category 1 Salaries: 0.00 ARS FTE: 0.00

Total Proposed: \$30,000.00

Other Federal Salaries: 0.00 Supplies: 30,000.00

Equipment: 0.00

Other Costs: 0.00 Travel: 0.00

RSA: 0.00

Do you or any full-time resident of your household have any activity or financial interest (dealings) with the Cooperating Organization? No

Area Ethics Advisor ONLY:

Confirmation and determination of 'dealings' question responded by SY.

AREA DIRECTOR ONLY:

Does the SY/MU have the needed expertise/facilities/time to conduct proposed research?

Is proposed funding level and duration adequate to provide the deliverables described?

Recommended			Approved / Concurred		
Signature	A/D	Date	Signature	A/D	Date
RL:			NPL1:		
CD/LD/DAD:			NPL2:		
LAO:			NPL3:		
ABFO:			BPMS:		
AD:			DA:		
ADO:					

***** Unofficial *****

Appendix 2 – Acronyms

AO/T: Administrative Officer/Technician

ARIS: Agricultural Research Information System

BFO: Budget and Fiscal Officers

BSC: Business Service Center

CATS: CRIS Allocation Tracking System

FMMI: Financial Management Modernization Initiative

FMR: Federal Management Regulation

GSA: General Services Administration

PMO: Property Management Officer/Official